Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
May 27, 2004

WELL API NO. 30-025-20476

5. Indicate Type of Lease STATE [X] FEE [ ]

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: Sinclair State

1. Type of Well: Oil Well [ ] Gas Well [X] Other

8. Well Number #1

2. Name of Operator: Chesapeake Operating Inc.

9. OGRID Number 147179

3. Address of Operator: P.O. Box 11050, Midland, TX 79702-8050

10. Pool name or Wildcat: Caudell Prospect

4. Well Location
Unit Letter B : 660 feet from the North line and 1980 feet from the East line
Section 11 Township 15S Range 36E NMPM County Lea

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3907 GR

Pit or Below-grade Tank Application [ ] or Closure [ ]

Pit type ____ **Depth to Groundwater** ____ **Distance from nearest fresh water well** ____ **Distance from nearest surface water** ____

Pit Liner Thickness: ____ **mil** **Below-Grade Tank: Volume** ____ **bbls; Construction Material** ____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	[ ]	PLUG AND ABANDON	[X]	REMEDIAL WORK	[ ]	ALTERING CASING	[ ]
TEMPORARILY ABANDON	[ ]	CHANGE PLANS	[ ]	COMMENCE DRILLING OPNS.	[ ]	P AND A	[ ]
PULL OR ALTER CASING	[ ]	MULTIPLE COMPL	[ ]	CASING/CEMENT JOB	[ ]		
OTHER:	[ ]			OTHER:			[ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Chesapeake, respectfully, request to plug & abandon this well per the attached procedure.

THE OIL CONSERVATION DIVISION MUST BE NOTIFIED 24 HOURS PRIOR TO THE BEGINNING OF PLUGGING OPERATIONS.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. **I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [ ], a general permit [ ] or an (attached) alternative OCD-approved plan [X].**

SIGNATURE Shay Stricklin TITLE Production/Regulatory Asst. DATE 04/11/2006

Type or print name Shay Stricklin E-mail address: sstricklin@chkenergy.com Telephone No. (432)687-2992

For State Use Only

APPROVED BY: Gary W. Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE APR 13 2006

Conditions of Approval (if any):

Chesapeake
Natural Gas.
Natural Advantages.

Sinclair State #1
Plug & Abandon Procedure
Lea County, New Mexico

April 10, 2006

1. MIRU well pluggers. NU BOP. MI & unload 12,100' L-80 2 3/8" tbg.
2. RIH w/ open ended tbg and tag PBTD @ 12,012'. Circulate 9.5# brine w/ 12.5#/bbl gel.
3. Set plug #1, 25 sxs 11,800-12,012'.
4. Pull tbg up to 9,000'. Set plug #2, 25 sxs 8,775-9,000'.
5. Pull tbg up to 7,000'. Set plug #3, 25 sxs 6,775-7,000'.
6. Pull tbg up to 5,000'. Set plug #4, 25 sxs 4,775-5,000'.
7. Tag plug @ 4,775'. POH w/ tbg.
8. Shoot off casing at 4,300' & POH w/ 5 ½" casing.
9. RIH w/ open ended tbg to 4,400' (inside 5 ½"). Set plug #5, 25 sxs 4250-4,400'.

TAG

10. Pull tbg up to 2,000'. Set plug #6, 40 sxs 1,900-2,000'.
11. Pull tbg up to 425'. Set plug #7, 150 sxs 0-425'.
12. POH w/ tbg, top off cement.
13. Rig down well pluggers. Cut off well head & anchors. Install dry hole marker, clean up location.

CURRENT WELLBORE SCHEMATIC
CHESAPEAKE OPERATING INC.

Chesapeake
Natural Gas.
Natural Advantages.

WELL : SINCLAIR STATE #1 (RE-ENTRY)

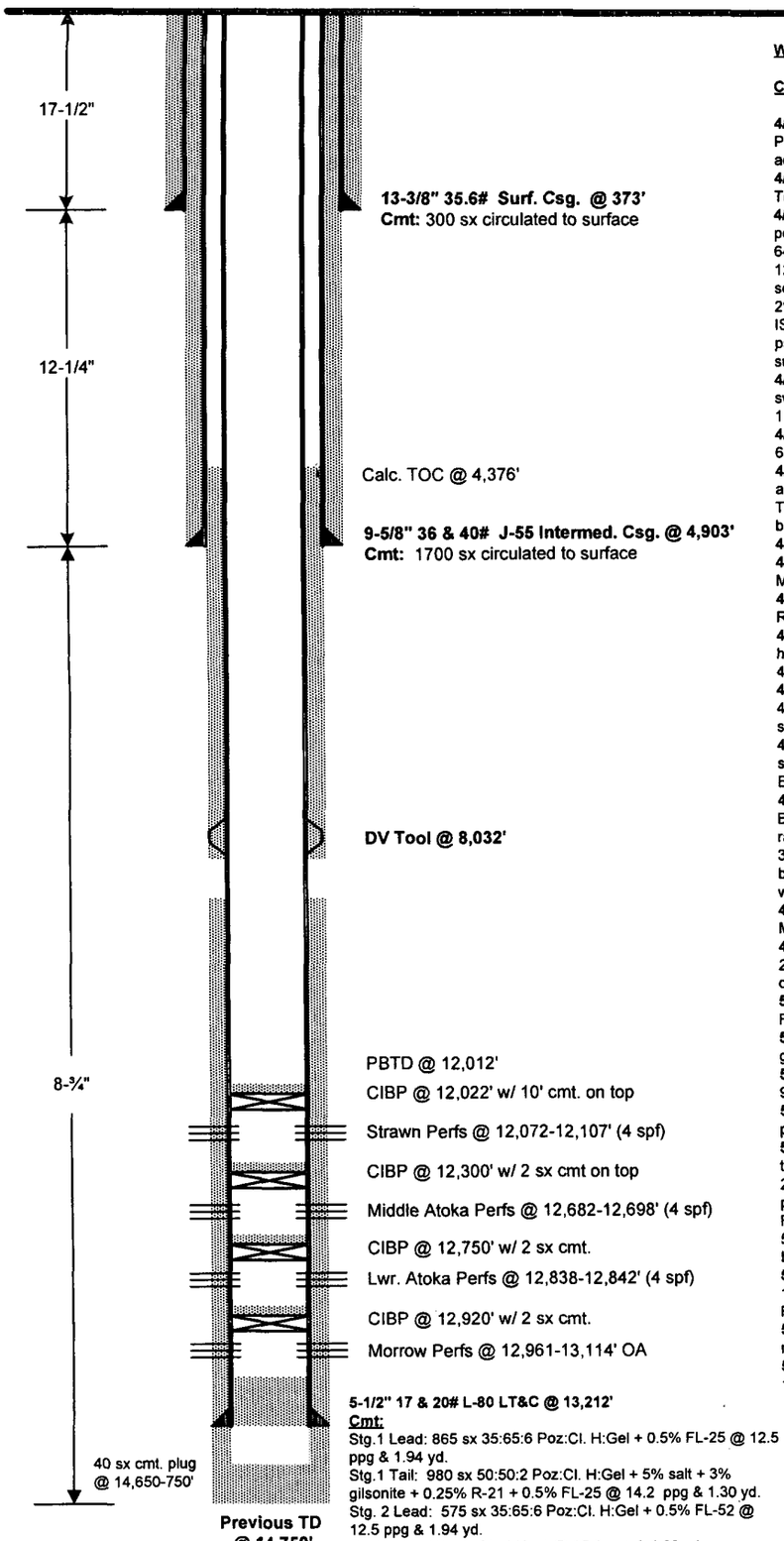
LOCATION : 660' FNL & 1,980' FEL, SECTION 11-15S-36E

COUNTY : LEA STATE : NM

FIELD : CAUDELL PROSPECT

ELEVATION : GL - 3,907' KB - 3,924'

API #: 30-025-20476-0001
RE SPUD DATE: 3/10/04
RIG RELEASED: 3/19/04
FIRST SALES: 5/26/04



Well History:

COMPLETION

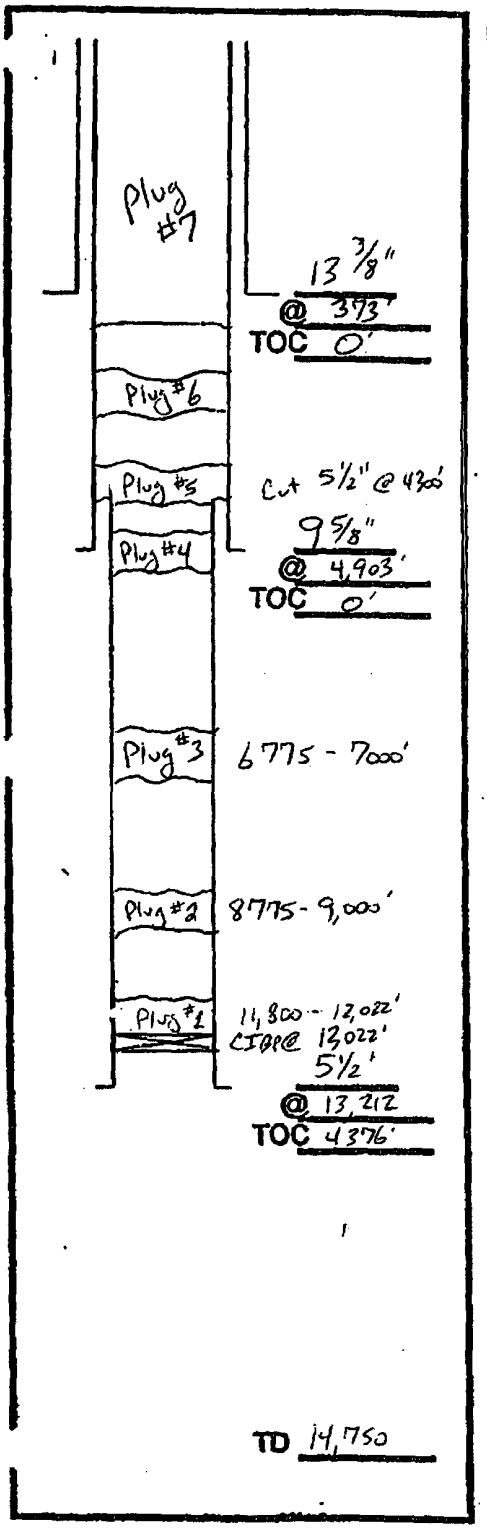
4/6-8/04: TIH w/ bit, BS & DC's on 2-7/8" WS. Tag DV @ 8036' and drill up. Tag PBTD @ 13,162'; test csg to 2000 psi, held good. Pump 3 bbls 15% inhibited HCl acid to pickle tbg. Circ out; TOH w/ tbg. and LD DC's, BS & bit.
4/12/04: TIH to PBTD 13,162'. Run CBL/CCL/GR to 11,160' w/ 2000 psi on csg. TIH w/ 2-7/8" tbg., spot 200 gals 7-1/2% HCl @ 13,144'.
4/13-14/04: TOH w/ tbg. & perf Morrow @ 13110', 111', 112', 113' & 114'. Pull up & perf 13099',100', 101',107',108', 109'. TOH & PU guns & perf 13060', 61', 62', 63', 64' & 65'. TOH & PU guns & perf 12972', 73', 77' & 78'. TOH & PU guns & perf 12961', 62', 67', 68'. TOH & RD. TIH w/ pkr, SN & 2-7/8" tbg. Rev. acid into tbg & set pkr @ 12,886'. Pump down tbg. w/ 14 bbls. 7% KCl @ 1.2 bpm; switch to 7-1/2% HCl; pump 38 bbls @ 1.5 bpm & 4670 psi w/ 25 BS. Flush w/ 80 bbls 7% KCl. ISIP 4650, 5 min 4425, 10 min 4352, 15 min 4327 psi. MTP 5300 psi, ATP 4700 psi. MTR 2 bpm, ATR 1.5 bpm. SITP 4100 psi; bled off, TIH w/ swab. IFL @ surface; FFL 1400' after 3 runs.
4/15/04: SITP 2700 psi. Bled down in 10 min. Flowed fluid until dead. TIH w/ swab, IFL @ surface. Dried up after 11 runs, GSOG last 3 runs. After 1 hr. had 1100' fluid entry & 10' flare burning. Rec 68 BW.
4/16/04: Well gassing all night; 0 psi FTP, 5' flare. TIH w/ swab, IFL 10,700'. Made 6 hourly runs, 2000' fluid entry. Rec 38 BW, SSOG.
4/17/04: 14 hr. SITP 110 psi. TIH w/ swab, IFL 10,700'; made 1 run. TIH to acquire flwg. gradients @ 5000, 8000, 10000 & 12568' Couldn't get past 12,568; TIH w/ sinker bar & No-Go, hung up on tight spot @ 12,568'. TIH w/ 1-1/4" press. bomb, hang off @ SN (12,882').
4/19/04: 48 hr. SITP 250 psi. Stand by for pressure build-up.
4/20/04: 72 hr. SITP 500 psi. Open well and pull bombs. TIH w/ swab, IFL 10,700'. Made 3 hourly runs, 1800' FE/hr. rec. 20 BW & SSOG.
4/21/04: 100 psi SITP. TIH w/ swab, IFL 11,500'. Made 7 hourly runs, 1300' FE/hr. Rec. 18 BF, no gas blow.
4/22/04: 200 psi SITP. TIH w/ swab, IFL 10,600'. Made hourly runs w/ 1000' FE/hr. Rec. 16 BW, GSOG after 2 runs.
4/23/04: 200 psi SITP. Load tbg, ND WH, rel pkr & TOH w/ tbg & pkr.
4/26/04: TIH w/ CIBP @ set @ 12,920' w/ 2 sx cmt. Perf L. Atoka @ 12838-842' w/ 4 spf. TIH w/ pkr, SN & 394 jts. 2-7/8" tbg & set pkr @ 12,787'. TIH w/ swab, IFL @ surface. Made 2 runs, FFL 2000'.
4/27/04: SITP 0 psi. TIH w/ swab, IFL 2000'. Made 9 runs, FL @ 9700'; well started gassing, Made 1 more run to SN, then 3 hourly runs w/ 787' FE/hr. Rec. 60 BW, GSOG after last 4 runs w/ 10' flare.
4/28/04: SITP 400 psi. Pump 27 bbls. 7.5% HCL w/ methanol down tbg. @ 4.5 BPM & 80 psi. Flush w/ 18 bbls. 2% KCL; fmtn broke @ 3960 psi & 2.1 bpm, raised rate to 5 bpm & 5100 psi. Pumped 61 more bbls flush, SD. ISIP 3500 psi, 5 min 3220 psi, 10 min 2950 psi, 15 min 2650 psi. MTP 5470 psi, ATP 5305 psi, MTR 5 bpm, ATR 4.5 bpm. SITP 1500 psi; TIH w/ swab, IFL @ surface. Swab to 9200', well started gassing. 15' flare burning on 34/64 ck @ 10 psi. Rec. 60 BW.
4/29/04: SITP 700 psi; bled down to 10 psi in 6 hrs. TIH w/ swab, IFL @ 6900'. Made 4 runs, FL @ SN; rec 15 BF. Well gassing w/15' flare.
4/30/04: SITP 800 psi; bled down to 10 psi in 7 hrs. TIH w/ swab, IFL @ 9200'. 2nd run FL 11,000', swab mandrel unscrewed on TOH. PU grapel to fish, grapel came apart; left jars & mandrel in hole.Rec. 6 BF.
5/1/04: TOH w/ tbg, SN & pkr. Tools not in SN; CO pkr, rabbit tbg GIH; found tools. Finish in hole w/ tbg, set pkr, press csg to 2000 psi.
5/3/04: SITP 50 psi; TIH w/ swab, IFL @ 3500'. Swabbed to SN in 8 runs. Well gassing, 387' FE in 1 hr; FL @ 12,400'. 15' flare, rec 35 BF.
5/4/04: SITP 700 psi; bled down in 6 hrs, 34/64 ck w/ 15' flare. TIH w/ swab, IFL 9200'. Wait 1 hr, FL 11,800'; POH w/ 900' fluid, 10 psi FTP.
5/5/04: SITP 700 psi; bled down in 5 hrs on 34/64 ck, 15' flare. Swab; IFL 10800', pull 800' fluid from SN. Wait 1 hr, swab from SN, no fluid; 15' flare & 10psi FTP.
5/6/04: TIH w/ swab, no fluid. Frac L. Atoka perfs w/ 23,000 gal 40# binary fluid, 40 tons CO_2 & 320,000 scf N_2 w/ 9260# Versaprop. ATP 9250, ATR 13 bpm. SO w/ 2# sd on fmtn. Press incr to 10K psi. ISIP 9560 psi, TLTR 173 bbls. Open well to pit on 23/64 ck, FTP 7500-2850-1800 psi, flwg sand & foam. Change to 28/64 ck, FTP 650 psi. 3-1/2 hr. TP 350 psi w/ heavy mist and sand.
5/7/04: SITP 750 psi. Bled down 30 mins, dropped to 300 psi. Open to 34/64 ck, bled down to 8 psi, no sand, no mist, SSOG.
5/10/04: SITP 1350 psi. MIRU CT unit & jet w/ 400 scf & 0.2 fluid @ 3400 psi to 12,920'. Circ BU 30 min, jet up 300# sd. TOH w/ CT, jet out w/ N2. SITP 220 psi. FB well; FTP 70 psi in 30 mins on 34/64 ck, 2 psi in 45 mins w/ light mist, no gas.
5/11/04: SITP 600 psi; bled down in 2 hrs. TIH w/ swab, IFL 9500'. Dried up in 2 runs. Flare burning w/ 8 psi FTP. Kill well, TOH w/ pkr.
5/12/04: CP 0 psi. TIH w/ CIBP @ 12,750' w/ 2 sx cmt. Perf Middle Atoka @ 12,688-98 ' & 12,682-88' w/ 4 spf. TIH w/ Arrowset Pkr, SN & 2-7/8" tbg.

(CONTINUED ON NEXT PAGE)

PREPARED BY: Ginni A. Kennedy **DATE:** 4/5/04

UPDATED BY: Ginni A. Kennedy **DATE:** 8/5/04

PLUGGING & ABANDONMENT WORKSHEET (3 STRING CSNG)



OPERATOR Chesapeake

LEASENAME Sinclair State WELL # 1

SECT 11 TWN 15 S RNG 36 E

FROM 660 (N)/S L 1,980 (E)/W L

TD: 14,750' FORMATION @ TD Morrow

PBTD: 12,012' FORMATION @ PBTD Strawn

	SIZE	SET @	TOC	TOC DETERMINED BY
SURFACE	13 3/8"	373	0'	Circulated
INTMED 1	9 5/8"	4,903	0'	Circulated
INTMED 2				
PROD	5 ½"	13,212	4,376'	Calculated

	SIZE	TOP	BOT	TOC	DETERMINED BY
LINER 1					
LINER 2					

	CUT & PULL @		TOP - BOTTOM
INTMED 1		PERFS	-
INTMED 2		OPENHOLE	-
PROD	4,300'		

* *REQUIRED PLUGS DISTRICT I*

ROSTLER (ANHYD)	
YATES	
QUEEN	
GRAYBURG	
SAN ANDRES	
CAPITAN REEF	
DELAWARE	
BELL CANYON	
CHERRY CANYON	
BRUSHY CANYON	
BONE SPRING	
GLORIETA	
BLINEBRY	
TUBB	
DRINKARD	
ABO	
WC	
PENN	
STRAWN	
ATOKA	
MORROW	
DEVONIAN	

PLUG	TYPE PLUG	SACKS CMNT	DEPTH
EXAMPLES			
PLUG #1	OH	25 SXS	9850'
PLUG #2	SHOE	50 SXS	8700'-8800'
PLUG #3	CIBP/35'		5300'
PLUG #3	CIBP	25 SXS	5300'
PLUG #4	STUB	50 SXS	4600'-4700'
PLUG #6	RETNR SQZ	200 SXS	400'
PLUG #7	SURF	10 SXS	0-10'
PLUG #1		25 sxs	11,800-12,022'
PLUG #2		25 SXS	8,775-9000'
PLUG #3		25 sxs	6775-7,000'
PLUG #4	Shoe	25 SXS	4,775'-5000'
PLUG #5	Stub	25 sxs	4350-4,400
PLUG #6		40 SXS	1,900-2,000
PLUG #7	Shoe/Surf	150 SXS	0-425'
PLUG #8			
PLUG #9			
PLUG #10			
PLUG #			
PLUG #			